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*To ensure access to high-quality,
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university partners.*



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September 08, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO FIVE MASTER AGREEMENTS
FOR RADIOLOGY AND TELERADIOLOGY SERVICES
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of Amendments to extend the terms of five Master Agreements with various contractors for the continued provision of as-needed radiology and teleradiology services for the Department of Health Services.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendments to the Master Agreements with five Contractors: 1) Echo Tech Imaging, Inc., 2) Fortino Casteneda, M.D., Inc., 3) NexxRad Teleradiology Partners, Inc., 4) STAT Radiology Medical Corporation and 5) U.S. Radiology On-Call, Inc., effective upon Board approval, for the purpose of extending the term of each Master Agreement for the period of October 1, 2015 through March 31, 2016, for the continued provision of as-needed, temporary radiology and teleradiology services for multiple Department of Health Services (DHS or Department) facilities, at a total estimated cost of \$1,264,000.
2. Delegate authority to the Director, or his designee, to execute future Amendments to the Master Agreements to: i) extend the term of these five Agreements for up to three additional months, at an estimated cost of \$632,000, ii) add additional DHS service sites not already listed under the Agreement, and allow other County Departments to utilize the Agreement, iii) comply with American Medical Association (AMA) revisions, Medicare and/or

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 September 8, 2015

PATRICK OZAWA
ACTING EXECUTIVE OFFICER

Medi-Cal program revisions and reimbursement directives, and iv) incorporate and/or revise certain non-substantive terms and conditions subject to review and approval by County Counsel, with notice to the Chief Executive Office (CEO) and the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director, or his designee, to execute Amendments, substantially similar to Exhibit I, to the Radiology and Teleradiology Services Master Agreements. These Amendments will allow for the continued provision of as needed radiology and teleradiology services at Harbor-UCLA Medical Center, High Desert Regional Health Center, Martin Luther King, Jr. Outpatient Center, Olive View-UCLA Medical Center and Rancho Los Amigos National Rehabilitation Center. The current Master Agreements will expire on September 30, 2015.

Contractors provide as-needed on-site radiologists to multiple DHS facilities to provide professional interpretations of imaging examinations and radiographic studies. They also provide assistance with the completion of examinations, studies and radiological procedures that include fluoroscopy, computed tomography, magnetic resonance imaging, nuclear medicine, ultrasound and imaging-guided interventional radiographic examinations. As to teleradiology services, the Contractors provide remote reading sites for the receipt and transmission of radiological images from multiple DHS facilities. At these reading sites, a radiologist provides the interpretation of imaging examinations and radiographic studies performed with images transmitted electronically or via courier from a DHS facility.

Approval of the second recommendation will authorize the Director to execute Amendments that will further extend the Master Agreement term for up to a maximum of three months through June 30, 2016; revise the scope of services to increase the number of service sites under the Agreement, allow the Agreement to be utilized by other County Departments and incorporate and/or revise non-substantive terms, conditions and Board required provisions, make revisions in compliance with the AMA and implement revised program and reimbursement directives that may be issued by Medicare and/or Medi-Cal.

The recommended Amendments will ensure the continued availability of as- needed on-site radiology services and off-site teleradiology services through June 30, 2016, during which time the Department will release and complete an open competitive solicitation process for successor Agreements.

Implementation of Strategic Plan Goals

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for the extension period of October 1, 2015 through March 31, 2016 is \$1,264,000. If the optional extension is exercised, the estimated cost, up to a maximum of three (3) additional months from April 1, 2016 through June 30, 2016 is \$632,000. Attachment A provides a breakdown of the estimated costs for services provided to each Facility, by Contractor. Funding for these services is included in the Fiscal Year 2015-16 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board approved the Master Agreements on September 21, 2010 with four Contractors selected through an open competitive solicitation process to provide as-needed on-site radiology services and off-site teleradiology services to multiple DHS facilities. The Board also delegated authority to the Director to execute Master Agreements with other qualified and interested vendors who meet the DHS certification criteria and accept the County rates of payment for these services.

DHS exercised its delegated authority in December 2014 to add one additional Contractor and subsequently the solicitation was closed as there are a sufficient number of agencies under the contract to meet the needs of DHS.

The services provided under this Master Agreement allows for the provision of as-needed radiology and teleradiology services which County employees, given the current staffing levels for radiologists, are not available to perform during peak workload periods and emergencies.

Therefore, the radiology and teleradiology services provided under this Master Agreement are exempt from Proposition A contracting guidelines because the services are needed on an intermittent and as-needed basis, per the exclusion listed in the County Code, section 2.121.250(B) (4). The services are also not subject to the Living Wage Program and it has been determined that these services do not impact Board Policy No. 5.030, "Low Cost Labor Resource Program" because of the specialized training and education required to perform the work.

The termination provisions of each Master Agreement allow for termination by the County with or without cause with a 30-day advance written notice by the County.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

The current Master Agreements with radiology and teleradiology providers were executed as a result of a Request for Statement of Qualifications (RFSQ) solicitation process.

During the extension period, DHS will release a RFSQ to identify interested and qualified agencies, and will return to the Board with recommendations of potential contractors for successor Master Agreements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will ensure the continued provision of critical as-needed radiology and teleradiology services for the patients served by DHS facilities.

The Honorable Board of Supervisors

9/8/2015

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:ms

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors

Attachment A

RADIOLOGY AND TELERADIOLOGY SERVICE MASTER AGREEMENTS

**SUMMARY OF FISCAL IMPACT/FINANCING
(ESTIMATED COSTS)**

Date of Board Approval
10/01/2015 to 06/30/16

	<u>Echo Tech Imaging, Inc.</u>	<u>Fortino Casteneda, M.D.</u>	<u>NexxRad Teleradiology</u>	<u>STAT Radiology Medical Group</u>	<u>U.S. Radiology On-Call, Inc.</u>	<u>Estimated Cost</u>
Harbor-UCLA Medical Center	\$0	\$0	\$0	\$377,625	\$377,625	\$755,250
High Desert Regional Health Center	\$0	\$450,000	\$0	\$0	\$0	\$450,000
Olive View-UCLA Medical Center	\$0	\$63,000	\$0	\$0	\$67,500	\$130,500
Martin Luther King, Jr. Outpatient Center.	\$0	\$504,000	\$0	\$0	\$0	\$504,000
Rancho Los Amigos National Rehabilitation Center	\$0	\$56,250	\$0	\$0	\$0	\$56,250
<hr/>						
Total Estimated Cost	\$0	\$1,073,250	\$0	\$377,625	\$445,125	\$1,896,000

Contract No. _____

RADIOLOGY AND TELERADIOLOGY SERVICES MASTER AGREEMENT

Amendment No. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2015,

By and between

COUNTY OF LOS ANGELES
(hereafter "County")

And

(hereafter "Contractor")

Business Address: _____

WHEREAS, reference is made to that certain document entitled "MASTER AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND _____ FOR RADIOLOGY AND TELERADIOLOGY SERVICES", dated September 21, 2010, and further identified as County Agreement No. H-_____, (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term and to provide for other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance to Paragraph 9.1, AMENDMENTS, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall commence and be effective upon approval by the Los Angeles County Board of Supervisors.
2. Paragraph 4, TERM OF MASTER AGREEMENT, of the Agreement shall be deleted in its entirety and replaced as follows:

"4. TERM OF MASTER AGREEMENT

- 4.1 This Master Agreement is effective upon the date of its execution by the Director of DHS or his/her designee as authorized by the Board of Supervisors and shall expire on March 31, 2016 unless sooner extended or terminated, in whole or in part, as provided herein.
- 4.2 The term of this Agreement may be extended by Director of Health Services, or his designee, beyond the stated expiration date of March 31, 2016, for a period of time not to exceed three (3) months, through June 30, 2016, subject to the availability of federal, State, or County funding sources, and upon mutual written agreement of the parties. If such funding is not forthcoming, this Agreement shall terminate March 31, 2016.
- 4.3 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.
- 4.4 The Contractor shall notify DHS when this Master Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS at the address herein provided in Exhibit C - County's Administration section."

3. Paragraph 5, AGREEMENT SUM AND MAXIMUM OBLIGATION OF COUNTY, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"5. MASTER AGREEMENT SUM:

5.1 During the term of this Master Agreement, effective date of execution by the Director of DHS or his/her designee through March 31, 2016, Contractor shall be compensated at the rates set forth in Exhibit B, Pricing Schedule – Compensation Rates Radiology and Teleradiology Services of the Master Agreement.

5.2 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the County's express prior written approval.

5.3 No Payment for Services Provided Following Expiration/Termination of Agreement

The Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Master Agreement. Should the Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Master Agreement shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall

survive the expiration or other termination of this Master Agreement.

5.4 Invoices and Payments

5.4.1 The Contractor shall invoice the County in arrears only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A - Statement of Work and elsewhere hereunder. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Master Agreement. The Contractor's payments shall be as provided in Exhibit B - Pricing Schedule – Compensation Rates Radiology and Teleradiology Services, and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If the County does not approve work in writing no payment shall be due to the Contractor for that work.

5.4.2 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule – Compensation Rates for Radiology and Teleradiology Services.

5.4.3 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.4.4 The Contractor shall submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.4.5 Depending on the Facility for which services were provided, all invoices under this Master Agreement, shall be submitted in two (2) copies to the following addresses:

Coastal Cluster
Harbor-UCLA Medical Center
1000 W. Carson Street

Torrance, California, 90509
Attention: Chief Executive Officer
or,
High Desert Regional Health Center
335 E. Avenue I
Lancaster, California 93535
Attention: Chief Executive Officer
or,
Rancho Los Amigos National Rehabilitation Center
7601 E. Imperial Highway
Downey, California, 90242
Attention: Chief Executive Officer
or,
San Fernando Valley Cluster/Valley Care
Olive View – UCLA Medical Center
14445 Olive View Dr.
Sylmar, California, 91342
Attention: Chief Executive Officer
or,
Southwest Cluster
Martin Luther King, Jr. Outpatient Center
12021 S. Wilmington Avenue
Los Angeles, California, 90059
Attention: Chief Executive Officer

5.4.6 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written approval of the Facility's Project Manager prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld."

4. Paragraph 6, BILLING AND PAYMENT of the body of the Agreement shall be deleted in its entirety and not replaced.
5. Paragraph 9.25, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA), of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.25. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
OF 1996 (HIPAA).

- 9.25.1 The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations. Contractor understands and agrees that, as a provider of medical treatment services, it is a “covered entity” under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients’ medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of its staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.
- 9.25.2 The parties acknowledge their separate and independent obligations with respect to HIPAA, and that such obligations relate to transactions and code sets, privacy, and security. Contractor understands and agrees that it is separately and independently responsible for compliance with HIPAA in all these areas and that County has not undertaken any responsibility for compliance on Contractor’s behalf. Contractor has not relied, and will not in any way rely, on County for legal advice or other representations with respect to Contractor’s obligations under HIPAA, but will independently seek its own counsel and take the necessary measures to comply with the law and its implementing regulations.
- 9.25.3 Contractor and County understand and agree that each is independently responsible for HIPAA compliance and agree to take all necessary and reasonable actions to comply with the requirements of the HIPAA laws and implementing

regulations related to transactions and code sets, privacy, and security.

9.25.4 Each party further agrees that, should it fail to comply with its obligations under HIPAA, it shall indemnify and hold harmless the other party (including the other party's officers, employees, and agents), for damages to the other party that are attributable to such failure."

6. Paragraph 9.27, INDEMNIFICATION, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.27 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, and agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to this Master Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees."

7. Paragraph 9.28, GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.28 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Master Agreement and until all of its obligations pursuant to this Master Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.28 and 8.29 of this Master Agreement. These minimum insurance coverage terms, types and limits (the

“Required Insurance”) also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Master Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Master Agreement.

9.28.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor’s General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Master Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor’s policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Master Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Master Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or

self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.

- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions. Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6th Floor-East
Los Angeles, CA 90012
Attention: Director, Contracts and Grants

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Master Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

9.28.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

9.28.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Master Agreement, in

the sole discretion of the County, upon which the County may suspend or terminate this Master Agreement.

9.28.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of this Master Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Master Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternately, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

9.28.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

9.28.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Master Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

9.28.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required

Insurance for any loss arising from or relating to this Master Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

9.28.8 Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

9.28.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

9.28.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims-made basis, any policy retroactive date shall precede the effective date of this Master Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Master Agreement expiration, termination or cancellation.

9.28.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

9.28.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

9.28.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

9.28.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures."

8. Paragraph 9.29, INSURANCE COVERAGE, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

“9.29 INSURANCE COVERAGE

9.29.1 Commercial General Liability

Insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

9.29.2 Automobile Liability

Insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Master Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

9.29.3 Workers Compensation and Employers' Liability

Insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the

requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

9.29.4 Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Master Agreement, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Master Agreement's expiration, termination or cancellation.

9.29.5 Property Coverage

Contractors given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured and Loss Payee on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value."

9. Paragraph 9.42, RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.42 RECORD RETENTION

9.42.1 The Contractor shall maintain, and provide upon request by County, accurate and complete financial records of its activities and operations relating to this Master Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate

and complete employment and other records relating to its performance of this Master Agreement.

9.42.2 The Contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Master Agreement. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Master Agreement and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

9.42.3 In the event that an audit of the Contractor is conducted specifically regarding this Master Agreement by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audits conducted by the Medicare and Medi-Cal programs, or both, then the Contractor shall file a copy of each such audit report, including Service Organization Controls (SOCI) Reports, with the County's Auditor-Controller

within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Master Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

9.42.4 Failure on the part of the Contractor to comply with any of the provisions of this sub-paragraph 9.42 shall constitute a material breach of this Master Agreement upon which the County may terminate or suspend this Master Agreement.

9.42.5 If, at any time during the term of this Master Agreement or within five (5) years after the expiration or termination of this Master Agreement, representatives of the County conduct an audit of the Contractor regarding the work performed under this Master Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Master Agreement or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Master Agreement exceed the funds appropriated by the County for the purpose of this Master Agreement.

9.42.6 Patient Records

Contractor shall prepare all appropriate medical records for County patients receiving services hereunder. If a County patient receives services from Contractor at Contractor's private office, then Contractor shall also maintain such records on any such patient. Such records all include, but are not limited to, progress notes and records of services provided in sufficient detail to permit the evaluation of services rendered pursuant to this Master Agreement. All patient records for patients seen in Contractor's office shall be retained by Contractor for a period of five (5) years following the expiration or earlier termination of this Master Agreement, unless otherwise required under State law. During such five (5) year period, as well as during the term of this Master Agreement, all such records shall be retained by Contractor at a location in Los Angeles County and shall be made available upon ten (10) working days prior written notice to authorized representatives of County designated by Director or by County's Auditor-Controller, or both, for purposes of inspection and audit.

9.42.7 Audit/Compliance Review

In the event County representatives conduct an audit/compliance review of Contractor, Contractor shall fully cooperate with County's representatives. Contractor shall allow County representatives access to all financial reports, medical records, and reports pertaining to this Master Agreement and shall allow photocopies to be made of these documents utilizing Contractor's photocopier, for which County shall reimburse Contractor its customary charge for record copying services, if

requested. Director shall provide Contractor with at least ten (10) working days prior written notice of any audit/compliance review.

County may conduct a statistical audit/compliance review of all claims paid by County during a specified period. The sample shall be determined in accordance with generally accepted auditing standards. An exit conference shall be held following the performance of any such audit/compliance review at which time the results shall be discussed with Contractor. Contractor shall be provided with a copy of any resultant written evaluation report(s).

Contractor shall have the opportunity to review County's findings for Contractor, and Contractor shall have thirty (30) calendar days after receipt of County's audit/compliance review results to provide documentation to the County representatives to resolve audit exceptions. If, at the end of the thirty (30) day period there remain audit exceptions which have not been resolved to the satisfaction of County's representatives, then the exception rate found in the audit or sample results shall be applied to the total County payments made to Contractor for all claims paid during the audit/ compliance review period to determine Contractor's liability to County."

10. Paragraph 9.45, SUBCONTRACTING, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

"9.45 SUBCONTRACTING

9.45.1 The requirements of this Master Agreement may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to

subcontract without the prior consent of the County may be deemed a material breach of this Master Agreement.

9.45.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:

- A description of the work to be performed by the subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

9.45.3 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were the Contractor employees.

9.45.4 The Contractor shall remain fully responsible for all performances required of it under this Master Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

9.45.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Master Agreement. The Contractor is responsible to notify its subcontractors of this County right.

9.45.6 The Director or his/her designee is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, Contractor

shall forward a fully executed subcontract to the County for their files.

9.45.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

9.45.8 The Contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to:

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street – 6E
Los Angeles, CA 90012
Attention: Director, Contracts and Grants

before any subcontractor employee may perform any work hereunder.”

11. Paragraph 10, UNIQUE TERMS AND CONDITIONS, of the body of the Agreement shall be deleted in its entirety and replaced as follows:

“10.1 NO INTENT TO CREATE A THIRD PARTY BENEFICIARY CONTRACT

Notwithstanding any other provision of this Master Agreement, the parties do not in any way intend that any person shall acquire any rights as a third party beneficiary of this Master Agreement.

10.2 REPORTING OF CHILD/ELDER AND DEPENDENT ADULT ABUSE

10.2.1 Contractor staff working on this Master Agreement shall comply with California Penal Code (hereinafter “PC”)

Section 11164 et seq. and shall report all known and suspected instances of child abuse to an appropriate child protective agency, as mandated by these code sections and shall submit all required information, in accordance with the PC Sections 11166 and 11167.

10.2.2 Contractor staff working on this Master Agreement shall comply with California Welfare and Institutions Code (WIC), Section 15600 et seq. and shall report all known or suspected instances of physical abuse of elders and dependent adults either to an appropriate County adult protective services agency or to a local law enforcement agency, as mandated by these code sections. The Contractor staff working on this Master Agreement shall make the report on such abuse, and shall submit all required information, in accordance with the WIC Sections 15630, 15633 and 15633.5.

10.2.3 Contractor staff's failure to report as required is considered a breach of this Master Agreement subject to immediate termination and is also a misdemeanor, punishable by up to one year in jail, a fine of up to \$5,000 or both.

10.3 CONTRACTOR'S CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. By requiring Contractors to complete the Charitable Contributions Certification, Exhibit K, the County seeks to ensure that all County contractors which receive or raise charitable contributions comply with California law in order to protect the County and its

taxpayers. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202).

12. Paragraph 11, TIME OFF FOR VOTING, shall be added to the body of the Agreement shall as follows:

“11. TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.”

13. Exhibit H, CONTRACTORS OBLIGATIONS AS A “BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)” is deleted in its entirety.
14. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

Contractor

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
Mary C. Wickham
Interim County Counsel

By _____
James Johnson,
Senior Associate County Counsel